

“Financial Closure of Chenani Nashri Tunnelway Ltd



Chenani Nashri Tunnelway Ltd (CNTL), a company wholly owned by IL&FS Transportation Networks Limited (ITNL), achieved a financial close of the Senior and Subordinate Debt aggregating Rs. 3,348 Cr for financing the NHAI DBFOT Annuity project. The Project comprises of a 12 km long tunnel, with a parallel escape tunnel and a 4 lane road, from Chenani to Nashri on NH-1A in the state of Jammu & Kashmir. This tunnel shall reduce the distance between Chenani and Nashri to 12 km from 41 km on existing route

The Project is the longest road tunnel project in India, till date and carries, an annuity of Rs 635 cr, which is the highest Annuity awarded by NHAI for a road project

The total Project Cost of Rs 3,720 Cr has been financed in a Debt Equity Ratio of 90:10 through debt aggregating to Rs. 3,348 Cr i.e. Rs. 2,976 Cr of Senior Debt and Rs. 372 Cr of Subordinate Debt and the balance as Promoter Contribution

Through an innovative financial structuring, the Loan repayment is completed in 14.75 years, including a bullet repayment at the end of the tenor. The financing has been achieved in time with the best terms available in the market and the project is scheduled to achieve commercial operations by Dec 2015

The facility has been syndicated on a project recourse basis

IL&FS Financial Services Ltd. is the sole Financial Advisor and Arranger for the Project financing. The facilities have been financed by a consortium of 12 banks led by State Bank of India, Project Finance Strategic Business Unit, Mumbai